



Appropriations Update

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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VETERANS AFFAIRS, HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS BILL FOR FISCAL YEAR 2004 – H.R. 2861

SUMMARY

The Veterans Affairs, Housing and Urban Development [VA-HUD] appropriations bill reported to the House on 24 July 2003 (H.R. 2861; H.Rept. 108-235) provides new

budget authority of \$1 million less than the applicable VA-HUD subcommittee suballocation. The bill complies with the requirements of the Congressional Budget Act.

COST OF THE LEGISLATION

H.R. 2861 provides \$90.033 billion in new budget authority [BA] and \$95.590 billion in outlays for fiscal year 2004 – an increase of \$3.316 billion in BA and \$2.567 billion in outlays from fiscal year 2003 (see Table 1). It provides \$399 million more BA than requested by the President, which results in a year-over-year increase of 3.8 percent.

Due to the creation of the Department of Homeland Security, and a reorganization of Appropriations subcommittee responsibilities, some agencies that were once a part of this bill (such as the Federal Emergency

Management Agency) now are funded in the Homeland Security appropriations bill. These changes make it difficult to provide a comparison of average annual growth rates for 2000-04, as other *Appropriations Updates* have done.

The bill does not contain emergency-designated new BA, but does include \$1.705 billion worth of rescissions of previously enacted BA, with no related outlays.

The bill provides \$4.2 billion in BA for fiscal year 2005 – an advance appropriation – discussed in more detail below.

Table 1: VA-HUD Appropriations Bill
(fiscal years; millions of dollars)

	2003 Spending ^a	Administration 2004	302 (b) for 2004	Bill
Budget Authority	86,717	89,634	90,034	90,033
Outlays	93,023	95,897	95,590	95,590

^a Does not include \$100 million in BA and \$38 million in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).

COMPLIANCE WITH THE BUDGET RESOLUTION

The bill complies with sections 302(f) and 311(a) of the Budget Act. The first of these prohibits consideration of bills in excess of a subcommittee's 302(b) allocation for

new budget authority. The second, section 311(a), prohibits consideration of legislation exceeding the aggregate levels of BA and outlays established in the budget resolution.

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The \$90.033 billion in new discretionary budget authority is \$1 million below the 302(b) allocation to the House Appropriations Subcommittee on VA-HUD; outlays are equal to the allocation. Because no appropriations bills for fiscal year 2004 have been enacted, there is ample room under the BA ceiling and hence the bill would not violate section 311(a).

If all appropriations bills reported to the House were enacted consistent with the latest legislative action in the House, the bill would violate section 501 of the budget resolution. That section limits the programs for which advance appropriations may be provided, and also limits the total amount of such advances to \$23.2 billion.

The bill provides \$4.200 billion in fiscal year 2005 BA for the housing certificate fund. Although this advance appropriation is permissible under the budget resolution, the total of all advance appropriations reported to the House by the Appropriations Committee is \$25.638 billion, \$2.480 billion above the limit set by the resolution. Because the test of whether the advances in a bill cause a breach is measured against previously enacted advances (a so-called ‘current

level’ test), this excess in reported bills does not cause a breach of the limit.

Nevertheless, if the appropriations bills considered before this bill were enacted as they passed the House, this bill would cause a breach. Under the point of order in the budget resolution, the provision causing the breach could be removed from the bill. This potential violation is the result of an advance appropriation of \$2.528 billion for the Biodefense Countermeasures [Bioshield] initiative contained in the Homeland Security appropriations bill (H.R. 2555). Although the budget resolution did explicitly accommodate funding Bioshield through discretionary appropriations, the resolution did not contemplate an advance appropriation for that administration initiative.

The Bioshield bill used multi-year discretionary funding, within the budget resolution levels, rather than mandatory funding, making the advance appropriation in that case appropriate. Nevertheless, there is concern that if the Bioshield advance appropriation is enacted as crafted, it could be limited and used next year to achieve budgetary savings for the fiscal year 2005 appropriations bills.

Table 2: Discretionary Spending in the VA-HUD Appropriations Bill
(in millions of dollars)

	2003 Budget Authority ^a	2003 Outlays ^a	2004 Budget Authority	2004 Outlays	Difference BA	Difference Outlays
Veterans Affairs	26,421	26,792	28,011	27,692	1,590	900
Housing and Urban Development	30,645	38,260	31,829	38,669	1,184	409
Environmental Protection Agency	8,079	7,818	8,005	7,976	-74	158
National Aeronautics and Space Administration	15,341	14,434	15,540	15,226	199	792
National Science Foundation	5,311	4,690	5,639	5,040	328	350
Other	920	1,029	1,009	987	89	-42
Total	86,717	93,023	90,033	95,590	3,316	2,567

^a Does not include \$100 million in BA and \$38 million in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).

DISCUSSION

The bill provides \$3.316 billion more spending than was available in the prior year (see Table 2 above). Most of that increase accrues to the Departments of Veterans Affairs [VA] and Housing and Urban Development [HUD].

The \$1.590-billion increase over 2003 funding for the Department of Veterans Affairs goes to medical programs (\$1.344 billion, net of offsetting collections), construction (\$206 million), and departmental administration (\$41

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million), offset by a minor reduction in benefit programs (\$1 million).

Spending for HUD increases by a net of \$1.184 billion over 2003. Increases in Public and Indian Housing (\$1.063 billion), community planning (\$111million), and Government National Mortgage Association (\$58 million) are partly offset by reductions in the Office of Lead Control (\$45 million) and other activities (\$3 million).

Other increases relative to fiscal year 2003 include the National Science Foundation [NSF] (\$328 million), the National Aeronautics and Space Administration [NASA] (\$199 million), and other activities (\$89 million, largely due to an increase of \$96 million for the Corporation for National and Community Service). These increases were

partially offset by a reduction to the Environmental Protection Agency [EPA] (\$74 million).

The bill provides \$399 million more than the President's request. The increases compared with the President include EPA (\$374 million), NSF (\$158 million), and NASA (\$71 million). Major changes in the request for EPA are an increase in State and tribal assistance grants of \$481 million, and a reduction in the hazardous substance superfund of \$115 million.

These increases were partially offset by lower funding than requested by the President for HUD (\$52 million), Veterans Affairs (\$46 million) and other (\$106 million, largely due to lower funding of \$118 million for the Corporation for National and Community Service).

RESCISSIONS

The bill rescinds \$1.705 billion worth of previously enacted BA in HUD. They come from: the housing certificate fund (\$1.372 billion), other assisted housing (\$303 million) and

urban development action grants (\$30 million). There are no outlay savings associated with these rescissions, which indicates that the funds would not have been spent anyway.

REVENUE PROPOSALS

The bill prohibits the collection of certain pesticide fees that are counted as revenue, causing a revenue loss of \$25 million for fiscal year 2004. This revenue loss is not counted against the subcommittee's 302(b) suballocation, but rather counts against the revenue total in the budget

resolution, which provides sufficient room to accommodate legislation that reduces revenue. Revenue reductions are not charged to the Appropriations Committee to avoid creating an incentive to increase revenue in order to finance higher spending.

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